

MEMO TO FILE:

On January 21, 1977, Mr. J.R. Rookstool of Nuclear Assurance Corporation (NAC), Grand Junction, Colorado, visited Ron and Brian in the Division office.

- \* Mr. Bill Fly goes into partnership with a number of other Texas operators to form Hi Plains.
- \* Hydro-Jet is formed as part of Hi Plains to open and operate the Shittamaring property.
- \* Hydro-Jet obtains an NRC license for a 'heap leach' process mill and tailings pond. Construction pursues on the facilities.
- \* To obtain additional financing, NAC is brought into the operation.
- \* NAC obtains financing for the project from Consumer's Power Company, of Jackson, Michigan. Consumer's sells it's stock of yellowcake through NAC in return for production commitments from Hydro-Jet.
- \* Hydro-Jet fails to produce because of technical difficulties. Consumer's now options for control of the operation by forming Plateau Resources LTD which will acquire control of the operation from Hi Plains. NAC is contracted by Plateau to provide the technical management.
- \* Plateau, NAC, and Hydro-Jet go to NRC to attempt transfer of the operating license from Hydro-Jet to Plateau. In addition, further engineering data indicated that the process be changed to an acid leach with a different mechanical manipulation so NRC is approached to 'OK' amendment of the license to include these changes.

- \* Plateau and Hydro-Jet continue negotiations for change of ownership
- \* Hydro-Jet and two (2) other firms are bidding for the contract to operate the mines and mill.
- \* NAC continues the engineering study to develop the best milling process.
- \* NAC is preparing for a full environmental analysis of the mill and tailings pond, which will be contracted out. Part of this analysis will possibly determine other locations for the processing facilities in Shittamaring Canyon and possibly another mill.

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*NEW PEOPLE INVOLVED NOW ARE:*

*Mike Sewell, Area Manager, Plateau Resources  
Ron Heiks, Vice President, Plateau Resources  
John Morrison, Atty, Hydro-Jet  
L.C. Rouse, NRC  
Mr. Cooperstein, NRC*

*THE DIVISION WILL NOW:*

- \* Call NRC and discuss the possibility of a change in location amendment to the NRC license.*
- \* Wait to hear from JR Rookstool.*

*DIVISION OF OIL, GAS, AND MINING*

*BRIAN W. BUCK  
ENGINEERING GEOLOGIST*

*BWB/lc*